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Attorneys for Defendant, Counter-claimant and Cross-claimant Ahava of California, LLC

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

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SIGNATURE BANK,	:
	:
Plaintiff,	:
	:
- against -	:
	:
AHAVA FOOD CORP., LEWIS COUNTY DAIRY	:
CORP., ST. LAWRENCE FOOD CORP. d/b/a PRIMO	:
FOODS, YONI REALTY, LLC, SCHWARTZ AND	:
SONS QUALITY DISTRIBUTORS, INC., MOISE	:
BANAYAN, ANA BANAYAN a/k/a CHANA	:
BANAYAN, REBECCA BANAYAN a/k/a REBECCA	:
BARIMYAN a/k/a REBECCA BANAYAN-	:
LIEBERMAN, FARIBORZ BANAYAN a/k/a	:
AARON BANAYAN, RUBEN BEITYAKOV,	:
ARI KATZ, AHAVA OF CALIFORNIA, LLC d/b/a	:
AHAVA NATIONAL FOOD DISTRIBUTOR	:
and NORTH COUNTRY MANUFACTURING, and	:
JOHN DOE COMPANIES 1 through 10	:
	:
Defendants.	:
-----X	

08 Civ. 3893 (NRB)

DECLARATION OF LAWRENCE C. FOX

I, Lawrence C. Fox, declare:

1. I am a partner in the law firm of Kornstein, Veisz, Wexler & Pollard, LLP, former local counsel for defendant, counter-claimant, and cross-claimant Ahava of California, LLC ("Ahava CA") in this case. Each fact contained in this declaration is within my personal knowledge.

2. This declaration is submitted in support of Ahava CA's motion for sanctions against plaintiff Signature Bank ("the Bank") and its attorneys. I am the partner at my firm responsible for the work and billing on this case.

3. From April 23, 2008 through June 5, 2008, our associate, Joel H. Rosner, and I spent significant time defending Ahava CA against the Bank's Order to Show Cause re: Preliminary Injunction and for Appointment of Receiver ("the Motion") which included: reviewing and analyzing the Motion; legal research; factual research; document review; assisting in the writing of Ahava CA's Opposition to the Motion; reviewing and assisting in the preparation of letters, faxes and emails; participating in telephonic court hearings; preparing for and attending document productions and depositions; and other tasks relating to opposing the Motion. The chart below shows, by day, the number of hours that I ("LCF") and Mr. Rosner ("JHR") devoted to particular tasks in connection with the Motion, with the work descriptions taken verbatim from the bills. All of this work and these hours were billed to Ahava CA.

<u>DATE</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
4/23/08 - LCF	Read Order to Show Cause, new Complaint and Affirmation; e-mail re exhibits; phone conversation with Hirsh, Aaron re new papers; phone conversations with Hirsh re logistics and appearance on Order to Show Cause; research re receivership	2.5
4/24/08 - LCF	Prepare for, and conference with Judge Freedman; research re receivership and related subjects; phone conversation with Hirsh to report on conference	4.5
4/25/08 - LCF	E-mails Oleske re various issues; phone conversations with Aaron re Bank's attempts to get access at Beard Street; read Herrick e-mails; memo re hearing with Judge Freedman; read Herrick letter to Judge Buchwald	2.5
4/28/08 - LCF	Work on letter to Judge Buchwald; phone conversations with Hirsh re same; work on revisions	3.0
4/29/08 - LCF	Long phone conference with Judge Buchwald; phone conversations with Hirsh, Aaron re same	2.0
5/08/08 - LCF	E-mails re new Order to Show Cause	.2
5/09/08 - LCF	Extended court conference with Judge Buchwald re TROs and follow-up conference with Hirsh and Aaron; extended phone conversation with Hirsh and conference with Rosner re strategy for opposition to receivership/injunction motion; intensive work on factual/legal outline for opposition; read Bank papers, including bankruptcy hearing transcripts; phone conversation with Adrian re problem at Lowville	7.5
5/10/08 - LCF	Work on factual/legal outline for opposition to receivership/injunction motion; e-mail re issues on TRO relief	4.5
5/19/08 - LCF	Review, annotate, Hirsh drafts of opposing papers on receivership/injunction motion; extended phone conversation with Hirsh re revisions	3.0

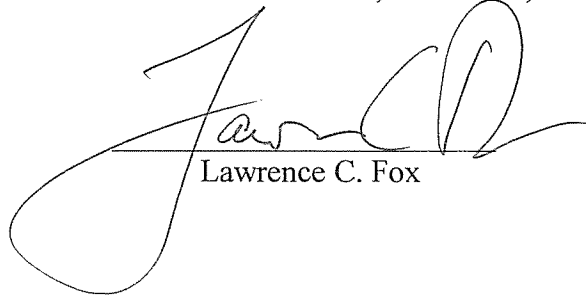
<u>DATE</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
5/21/08 - LCF	Intensive work on revisions to brief opposing receivership/injunction; e-mails Hirsh re same; review discovery correspondence	7.5
5/22/08 - LCF	Intensive work on revisions to brief opposing receivership/injunction; e-mails Hirsh re same; supervise filing	5.5
5/27/08 - LCF	Phone conversation with Hirsh re discovery issues and Rosner participation in inspection and production	.3
5/09/08 - JHR	Meeting with Fox; telephone conference call with Rob Hirsh and Fox; review of Order to Show Cause papers and bankruptcy hearing; telephone conversation with Rob Hirsh; research re: New York Law Journal choice of law for alter ego and fraudulent transfer	5.7
5/16/08 - JHR	Telephone conversation with Rob Hirsh; review of correspondence; research re: OSC for preliminary injunction and temporary receiver (fraudulent transfer, alter ego, etc.)	3.9
5/19/08 - JHR	Research re: OSC for preliminary injunction and temporary receiver (fraudulent transfer, alter ego, etc.); review of draft papers for our opposition to the OSC (Declarations, Memo of Law, etc), assembling exhibits for oppositions; telephone conversations with Fox and Rob Hirsh	4.0
5/20/08 - JHR	Research re OSC for preliminary injunction and temporary receiver (fraudulent transfer, alter ego, etc.), review of draft papers for our opposition to the OSC (Declarations, Memo of Law, etc), assembling exhibits for opposition; telephone conversations with Fox, Rob Hirsh, Robert Friedbauer and Fariborz Banayan	6.8

<u>DATE</u>	<u>DESCRIPTION</u>	<u>HOURS</u>
5/21/08 - JHR	Research re OSC for preliminary injunction and temporary receiver (fraudulent transfer, alter ego, etc.); review of draft papers for our opposition to the OSC (Declarations, Memo of Law, etc.), assembling exhibits for opposition; telephone conversations with Fox, Rob Hirsh and Fariborz Banayan	4.8
5/22/08 - JHR	Review of draft papers for our opposition to the OSC (Declarations, Memo of Law, etc.); preparation and filing of opposition	5.3
5/29/08 - JHR	On-site inspection at AOC Brooklyn facility (110 Beard St); telephone conversation with Rob Hirsh and Fox	11.9
5/30/08 - JHR	Review of correspondence; telephone conversation with counsel for Signature Bank, Rob Hirsh, and AOC personnel	1.4
6/03/08 - JHR	Telephone conversations with plaintiff's counsel, Rob Hirsh and Esquire Reporting (deposition)	.6
6/04/08 - JHR	Telephone conversation with Rob Hirsh and David Feuerstein; review of documents and preparation for impairment of collateral deposition; Supplemental Declaration of Robert Friedbauer	1.8
6/05/08 - JHR	Telephone conversation with Rob Hirsh; deposition re impairment of collateral	5.6
TOTALS	LCF HOURS: 43 JHR HOURS: 51.8	

4. My time on this case has been billed to Ahava CA at the rate of \$450 per hour. Accordingly, for the 43 hours of my time itemized above, Ahava CA was billed \$19,350. Mr. Rosner's time on this case has been billed to Ahava CA at the rate of \$335 per hour. Accordingly, for the 51.8 hours of Mr. Rosner's time itemized above, Ahava CA was billed \$17,353. In addition, Ahava CA incurred costs advanced by my firm in connection with the Motion and attendant tasks. These sums total \$756.50, consisting of estimated duplicating costs

directly related to the Motion of \$500, plus \$256.50 in transcript fees. Ahava CA thus incurred a total of \$37,459.50 in fees and costs from my firm in connection with its defense of the Motion.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this declaration was executed in New York, New York, on July 2, 2008.



Lawrence C. Fox